

the claims does not make the claims indefinite.

The Rejection of Claims Under 35 U.S.C. § 103

Claims 1 - 15

At paragraph 5 of the Office Action the Examiner has rejected claims 1 - 15 under 35 U.S.C. § 103 as assertedly obvious over Silverman et al., US patent 5,924,082, in view of Korhammer et al., US patent 6,278,982. Applicants respectfully traverse.

Silverman et al. disclose a matching system for trading financial instruments. The matching system matches potential trading counterparties who are acceptable to each other from among users of a host system, on a variety of financial and business grounds (e.g., order size, asset availability, business reputation, and business size), and enables the counterparties to negotiate and finalize the terms of a transaction. The system monitors all potential counterparties to ensure that only mutually-acceptable counterparties are permitted to trade with one another. (Abstract, Figure 1, column 4, line 50 - column 5, line 7, and elsewhere throughout the Specification.) No reference is made in Silverman et al. to orders originating outside the system. The Examiner appears to acknowledge this in his observation that "Silverman does not teach price discovery outside the system."

Korhammer et al. discloses a securities trading consolidation system where each customer uses a single trader terminal to view and analyze security market information from and to conduct security transactions with two or more ECNs or other comparable ATSS, alone or in combination with one or more electronic exchanges. (See, e.g., abstract.) Korhammer et al. does not disclose treating orders originating in a system differently from orders originating outside the system.

Neither Korhammer nor Silverman et al., discloses, either alone or in

combination, at least the following: with respect to claim 1, that if there is no better trade in at least one order originating from outside the system, the system electronically executes the trade agreed to by the party and the counterparty, otherwise the system executes the better trade; with respect to claim 7, that a computer also receives stock orders originating from outside the system and is programmed to execute a trade of an order from a user of the system matched with an order originating from outside the system and also a trade of an order from a user of the system matched with an order originating from outside the system, the computer being programmed to execute a trade in accordance with a priority when the same trade becomes available between two orders originating within the system and an order originating from outside the system; and with respect to claim 9 a system comprising at least one computer with associated computer memory which receives hidden orders from a plurality of users and public orders originating from outside the system, the at least one computer being programmed to repeatedly determine whether there is a match of any one of the hidden orders with any one of the public orders, and to execute a pair of orders selected from the hidden orders and the public orders.

Further with respect to Korhammer et al., it discloses that a trader, and not the system, selects or matches trades. Also, the references to "inside" and "outside" prices cited by the Examiner from Korhammer et al. relate not to prices generated inside or outside a trading system, but, in standard industry usage, to prices "inside" or "outside" the market best bid/offer range. See, for example, Korhammer et al., col. 1, lines 49 – 51: "The best bid to buy by any market maker and the best offer to sell by any market maker for a security is called the security's 'inside market.'"

Neither Silverman et al. nor Korhammer et al., singly or in combination, discloses or suggests the systems or methods of claims 1, 7, or 9. It is submitted that claims 1, 7, and 9 are allowable over Silverman et al. and Korhammer et al. Claims 2 – 6, 8, and 10 – 15, being dependent from claims 1,

7, and 9, are allowable for at least these reasons.

Applicants do not admit that Korhammer et al. is prior art to this application, and do not waive any right to swear behind the Korhammer reference. Applicants specifically reserve all such right.

Claims 16 - 29

At paragraph 6 of the Office Action the Examiner has rejected claims 16 - 29 under 35 U.S.C. § 103 as assertedly obvious over Silverman et al., US patent 5,924,082, in view of McCausland et al., US patent 5,243,331. Applicants respectfully traverse.

Silverman et al. discloses the identification of subsets of users only on the basis of "rankings" based on factors such as order size, asset availability, business reputation, and business size (see, e.g., col. 9, line 59, - col. 10, line 32). Silverman et al. does not disclose methods or systems for creating a subset of system users selected by a user to which the user authorizes the system to transmit an indicator of interest in a stock for which the user enters an order, or selection by a user of other users of the system to which the user wants to transmit an indicator of interest in a stock, as claimed by Applicants. The system of claim 16 comprises at least one computer programmed to create a subset of system users selected by a user to which that user authorizes the system to transmit an indicator-of-interest (IOI) in a stock for which that user has entered an order. Claim 26 is drawn to a method of determining interest in a stock among users which comprises a user selecting users to which the user wants to transmit an indicator-of-interest (IOI) in a stock, and the system transmitting the IOI to the selected users only when the user enters an order for the stock. Applicants' systems and methods enable, for example, different lists to be created for different stocks a user wishes to trade in, on a stock by stock basis. Such systems and methods are not disclosed by Silverman et al., or by any other cited reference or combination of references.

McCausland et al. discloses only specialized keyboards, and is altogether silent on indicators of interest. Thus McCausland et al. contributes nothing to the disclosure of Silverman et al. regarding indicators of interest.

It is submitted that claims 16 and 26 are allowable over Silverman et al. and McCausland et al. Claims 17 – 25 and 27 – 29, being dependent from claims 16 and 26, are allowable for at least these reasons.

Claim 26 is amended to delete the word “particular.” It is submitted that the meaning of claim 26 is clear without “particular,” which was not deleted to avoid any prior art or for any reason related to patentability of claim 26.

Information Disclosure Statements

The copy of the Information Disclosure Citation list filed 5 April 2001 and initialed by the Examiner is acknowledged. However, the PTO has not provided us a copy of the Citation List filed 18 July 2000, initialed by the Examiner. A copy of the original IDS (bearing a signed certificate of mailing) is attached hereto for the convenience of the Examiner.

CONCLUSION

Reconsideration and allowance of the application with claims 1 – 19 is requested.

Applicants request that any questions concerning this matter be directed to the undersigned at (212) 895-2906.

I certify that this paper, together with any documents referred to as attached or enclosed, are being deposited this date with the United States Postal Service with sufficient postage as first class mail, addressed to: Commissioner for Patents, Washington, D.C., 20231.

Respectfully submitted,

Dated: 19 MARCH 2002



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**REWRITTEN CLAIM PURSUANT TO 37 CFR 1.121(c)
SHOWING CLAIM 16 IN MARKED-UP FORM:**

26. (rewritten) A method of determining interest in a stock among users of an electronic stock trading system which includes user stations for entering orders and at least one computer and associated computer memory for matching orders and executing trades, comprising the steps of:

a user at a user station selecting users from among other users of the system to which the user wants to transmit an indicator-of-interest (IOI) in a [particular] stock; and

the system transmitting the IOI to the selected users only when the user enters an order at the user station for the [particular] stock.